

RESOLUTION NO. 3237

RESOLUTION TO APPROVE PROPERTY TAX INCENTIVE FOR OREGON METALLURGICAL CORPORATION UNDER THE ENTERPRISE ZONE ACT OF 1989, WITH CONDITIONS.

WHEREAS, the 1985 State Legislature adopted the Oregon Enterprise Zone Act (the Act) which allows property tax incentives for business expansion in the enterprise zones designated by the Governor; and

WHEREAS, in March 1986, the City Council accepted the Governor's designation of the Albany Enterprise Zone; and

WHEREAS, Oregon Metallurgical Corporation operates a titanium manufacturing plant at 530 34th Avenue SW in the Albany, Oregon Enterprise Zone and has requested property tax incentives available under the provisions of the Enterprise Zone Act to modernize its existing plant and facilities; and

WHEREAS, the Albany Enterprise Zone Manager has determined that Oregon Metallurgical Corporation is eligible for the property tax incentives under the provisions of the Enterprise Zone Act, subject to City Council approval.

NOW, THEREFORE, BE IT RESOLVED that use of property tax incentives authorized by the Oregon Enterprise Zone Act, ORS 284.245(3)(A)(B)(1989), is approved for Oregon Metallurgical Corporation on the condition that Oregon Metallurgical Corporation satisfies the following requirements:

1. Oregon Metallurgical Corporation shall maintain an annual average of 350 full-time equivalent employees during the tax abatement period.

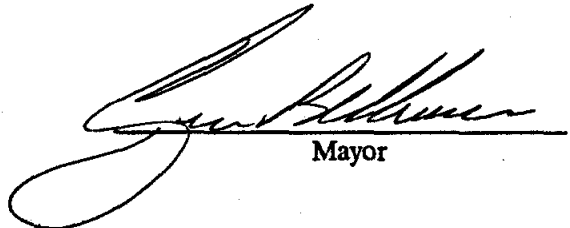
For the purposes of this resolution, the term "full-time equivalent employee" is defined as follows:

All Oregon Metallurgical Corporation current and future hires classified as salaried employees, and those production employees eligible for the seniority list based on continuous service provisions as determined by Oregon Metallurgical Corporation's current labor agreements."

2. Oregon Metallurgical Corporation shall commit to retain in Albany its sales and manufacturing facilities.

BE IT FURTHER RESOLVED that Oregon Metallurgical Corporation shall provide the Albany Enterprise Zone with such information as may be reasonably necessary to review and monitor Oregon Metallurgical Corporation's compliance with the conditions in paragraph 1 above.

DATED this 10th day of March, 1993.


Mayor

ATTEST:


Deputy City Recorder

1990
1989 OREGON ENTERPRISE ZONE PRECERTIFICATION FORM

1. Name of Business Firm Oregon Metallurgical Corporation
Contact Person Chris Erickson
Title Controller
Mailing Address 580 W. 34th Avenue
Albany, OR 97321
Telephone 503-926-4281

2. Type of Business Titanium Manufacturer

3. What percent of your firm's annual gross receipts from within the zone will be from providing goods, products or services to other businesses? 100 %

4. Please attach a description of the qualified property for which an Enterprise Zone property tax exemption will be sought.

Is the investment site located within the zone boundary? Yes No
Within which county is the investment site located? Linn

The total estimated cost or value of the investment in qualified property to be located within the zone will be \$ 25,450,000

Site preparation will begin on July 1989, construction will start on Aug 1989, be completed by Jan 1990 and be occupied by April 1990.

Machinery and equipment will be purchased, leased or transferred on Feb 1990, installed by Mar 1990 and in use by April 1990.
All furnaces & magnesium facility complete by March 1991.

5. Does your firm already operate in the zone? Yes No

If no, please attach address and/or location map of investment site.

If yes, will your firm's average employment within the zone increase by 10% or more as a result of the investment? Yes No

If yes, does your firm operate at a single site or at multiple sites within the zone? If the investment site is different than the address given in #1 above or if multiple sites, attach information.

6. Does your firm agree to enter into a first source agreement before hiring any new employes to work within the zone? Yes No

Hiring of new employes will begin on Oct 1989 and be completed by March 1991

Average employment of the firm within the zone is now 417.

Your firm's average employment within the zone after the investment is completed will be 460.

7. Will the firm be applying for an Enterprise Zone property tax exemption for the first time x or for an additional investment ? Circle all years that apply:

The firm received an exemption in 1987 1988 1989;

The firm intends to apply for an exemption in 1990 1991 1992

SPECIAL CASES*	YES	NO	N/A
Will lease qualified property	___	X	___
Move to zone from within 30 miles	___	X	___
Will diminish employment outside zone	___	___	X
Urban zone residency requirements	___	___	X
Motel, hotel or destination resort	___	___	X
Business eligible under old law	X	___	___
Nonretail operation of a retail firm	___	___	X
Two corporations under common ownership	___	___	X
\$25 million investment	X	___	___
Local incentives to be provided	X	___	___
Public property available for sale or lease	___	___	X
Eligible subject to zone boundary amendment	___	___	X
Tax exemption for construction in progress	X	___	___

* Please see instructions; for yes answers, attach explanation if necessary.

* Site preparation and construction began in July 1989.

I declare under penalties for false swearing (ORS 305.990(4)) that I have examined this document and attachments hereto and to the best of my knowledge, they are true, correct and complete. If any of the information provided herein or attached hereto changes, I will notify the zone manager as soon as possible in writing. I understand that my firm will only receive the property tax exemption if all applicable requirements of the Oregon Enterprise Zone Act of 1989 are satisfied.

Chris D. Eubank - CONTACTER 1-3-90
 Signature of Firm's Contact Person Date

On behalf of the sponsors of the ALBANY Enterprise Zone, this application is approved X, denied or approved with conditions (conditions specified in attachment).

Frank A. Hemmway 2-7-90
 Signature of Zone Manager Date

Within five working days after approval of an application, the zone manager will provide copies of this form and attachments thereto to the applicant, county assessor, Department of Revenue and the Economic Development Department. A copy will also be provided, without attachments, to the "contact agency" for publicly funded local job training providers.

1989 OREGON ENTERPRISE ZONE PRECERTIFICATION
 SPONGE/MAGNESIUM PLANT EXPANSION
JANUARY 3, 1990

FROM 8 REDUCTION FURNACES TO 12 FURNACES

CONVERT MAGNESIUM RECOVERY CELLS FROM 40K AMP TO 60K AMP

ANNUAL SPONGE CAPACITY FROM 12 MILLION TO 18 MILLION POUNDS

ANNUAL MAGNESIUM CAPACITY FROM 12 MILLION TO 18 MILLION POUNDS

	<u>START DATE</u>	<u>COMPLETE DATE</u>
SITE PREPARATION	JULY 1989	AUG 1989
BUILDING CONSTRUCTION	AUG 1989	JAN 1990
EXPAND MAGNESIUM CAPACITY	SEPT 1989	MAR 1991
ADD ELECTRONIC CONTROL SYSTEM FURNACE #1 THROUGH #6	JUNE 1990	DEC 1991
REDUCTION FURNACE #9		APR 1990
REDUCTION FURNACE #10		JUL 1990
REDUCTION FURNACE #11		OCT 1990
REDUCTION FURNACE #12		MAR 1991

EXPANSION PROJECT
MILLIONS OF DOLLARS

BUILDINGS, SITE PREPARATION	\$ 1,500
SPONGE REDUCTION FURNACES 9 THROUGH 12 AND RELATED EQUIPMENT	9,250
ELECTRONIC CONTROL SYSTEM SPONGE FURNACES 1 THROUGH 6	1,200
EXPAND MAGNESIUM RECOVERY CAPACITY	<u>13,500</u>
TOTAL PROJECT	<u>\$25,450</u>